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**UNITED STATES PATENT APPLICATION**

**Of**

**PAUL TOSCANO**

**For**

**ON LINE LOAN PROCESS**

09045632-043001  
T00E40-2294860

## SPECIFICATION

### TITLE OF INVENTION

**Applicant's Name:** Paul Toscano

**Applicant's Citizenship:** Citizen of the United States of America

**Applicant's Residence:** 941 East Tahnia Park Circle, Salt Lake City, UT 84121

**TITLE OF THE INVENTION:** On Line Loan Process

### CROSS REFERENCE TO RELATED APPLICATIONS

This Patent Application, entitled "On Line Loan Process," claims the benefit of provisional Patent Application Serial Number 60/200,890, entitled "On-line Mortgage Loan Closing Process," filed on May 1, 2000.

### STATEMENT REGARDING FEDERALLY SPONSORED RESEARCH OR DEVELOPMENT

Not Applicable.

### REFERENCE TO A MICROFICHE APPENDIX

Not Applicable

## BACKGROUND OF THE INVENTION

The Invention pertains the field of endeavor of the solicitation, processing, approval, and extension of credit to qualified loan applicants. The Invention allows these processes, traditionally conducted with ink and paper, to be conducted electronically by means of the Internet, the World Wide Web, wireless and other telecommunications systems.

As personal computers and the Internet, network, wireless, and other telecommunications technologies have become more widely used, the need has increased for cost-effective safeguards that preserve the security of transmissions, the privacy of personal, sensitive, or legally-significant information, and the integrity and reliability of documents and related information. There has been a concomitant increase in the need for the web enabling of traditional paper processes. In light of these advances, it is no longer practical for many individuals and businesses to generate, collect, record, process, use, and store information without encoding the information in a computer-usable, electronic form. Nor is it practical for many individuals and businesses to continue to employ traditional paper business processes now that it is possible for many traditional paper processes to be conducted in electronic or digital form using these new telecommunications technologies.

The Invention presents a means by which a particular paper process—the processing of loans and mortgage loans—may be conducted entirely or in part in digital or electronic form using any of a number of telecommunications technologies in an

environment that is technologically secure and legally private and reliable. The Invention allows users to create, upload, view and collaborate on digital and electronic documents in most formats; it allows these documents to be "initialed" with electronic or digital signatures so that the content and form of the document is rendered persistent; it allows these documents to be executed with legally-binding and non-repudiable electronic or digital signatures by parties to be bound by the documents and by parties approving the form and content of the documents, and by parties witnessing or authenticating the documents or signatories thereto; it allows the documents to be reposed for short periods or archived for long periods of time; it allows documents packages to be transmitted to interested parties; and it allows documents to be reposed with trustee custodians; and it allows documents to be date-stamped, time-stamped, and signed by these trustee custodians in order to create "originals" with a traceable and reportable chain of custody and certifiable to courts and other authorities.

Specific documents related to the Invention are:

<b>Patent No.</b>	<b>Date</b>	<b>Inventors</b>	
5157726	October 1992	Merkle, et al.	380/23
5390247	February 1995	Fischer	380/25
5544255	August 1996	Smithies et al.	380/23
5579393	November 1996	Conner et al.	380/25
5615268	March 1997	Bisbee et al.	380/25
5872848	February 1999	Romney et al.	380/25
6044462	March 2000	Zubeldia et al.	380/25
6085322	July 2000	Romney et al.	380/21

These inventions do not constitute an end to end solution for enabling the electronic solicitation, processing, closure, and sale of loans and mortgage loans, although some of the inventions in the above list attempt to address some of the problems in conducting some segments of an on line loan process.

The Invention provides the method for conducting all aspects of the loan process, from solicitation to closing and loan sale to the secondary lending market. The Invention provides the following unique features and benefits:

(1) a means to collect and assemble related and verifying documents from various sources in nearly any format in a collaboration environment, (2) a means to restrict access to documents to authorized parties only in a data vaulting environment, (3) a means for professionals and parties to view documents with privacy in a restricted viewing environment, (4) a means for parties to affix to selected documents non-legally-binding electronic or digital signatures for purposes of fixing the form and content of documents for later execution in the presence of a loan closing officer with the legally-binding electronic or digital signature(s) of the signing party(ies) in a closing or signing environment, (5) a means for signing parties to affix legally-binding electronic or digital signature(s) at another point in the loan process either in or out of the presence of a loan officer, and a means for vaulting in an off line or on line environment, which vaulting includes shorter-term reposition or longer-term archiving of such documents and related information, (6) a means of transmitting relevant documents for recordation or for sale to loan purchasers or other parties, and (7) a means for elimination of the documents to meet records retention and destruction requirements.

## **BRIEF SUMMARY OF THE INVENTION**

The Invention relates to systems and methods for the on line processing of loan documents and related information (hereinafter collectively "Loan Documents") involved in the solicitation, verification, approval, grant, extension, renewal and sale of loans, secured or unsecured.

## **BRIEF DESCRIPTION OF THE SEVERAL VIEWS OF THE DRAWING**

Attached as Exhibits "A" and "B" are two drawings of the on line loan process. Exhibit "A" describes the various computer applications that may be involved implementing the Invention, while Exhibit "B" describes the various major steps of the Invention from the point of loan solicitation to transmittal and archiving of final Loan Documents,

## **DETAILED DESCRIPTION OF THE INVENTION**

The Invention includes the systems and methods for soliciting loan applications, collecting relevant information from pertinent parties, verifying such information, creating or assembling related or verifying documents, preparing Loan Documents for review and execution, executing loan documents and related information with legally binding signatures, reposing and transmitting such Loan Documents to loan processors,

purchasers or other parties, and archiving such Loan Document on behalf of authorized parties.

More specifically, the present Invention relates to systems and methods operating in a technological and legal environment in which (1) such Loan Documents may be processed entirely or partly in an Internet, network, wireless, or other telecommunication environment ; (2) all or part of the Loan Documents are in digital or electronic form; (3) all or part of the system and methods for the preparation, signing, witnessing, using, reposing, archiving, and transmission of such Loan Documents are conducted digitally or electronically; (4) all of the foregoing systems and methods as well as all or part of the Loan Documents are rendered secure, private, or reliable by the use of passwords, cryptographic keys, public key cryptography and infrastructure, or legal-based or fiduciary-based data management vaulting and processing systems; (5) one or more passwords, cryptographic keys, public keys are employed by one or more entities (a) to assure the identity of parties preparing, creating, altering, reviewing, executing, witnessing, processing, using, reposing, transmitting, or archiving such Loan Documents or related information or (b) to assure the accuracy, security, reliability, form, content, persistence of form and content, chain of custody, evidentiary admissibility, archival status, records retention status, or the date, time, place and mode of execution thereof.

The purpose of the Invention is to allow property buyers, sellers, property agents, brokers, and other professionals, mortgage brokers, lenders, and other professionals, title companies, escrow agents, notaries, attorneys, closing agents, title insurance

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providers, agents, brokers, underwriters, and other professionals involved in the property mortgage industry (hereinafter jointly and severally "Parties") to enjoy security and privacy (1) in the creation, uploading, and collaboration of such documents, (2) in the access, retrieval, and viewing of such documents, (3) in the electronic initialing or signing of such documents using electronic or digital signatures, (4) in the use, processing, management and administration of such documents and related information, and (5) in the reposition, archiving, warehousing, retention, and destruction of such documents that form part of or are pertinent to the loan process.

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